

**MONTHLY OPERATING REPORT FOR
CORPORATE OR PARTNERSHIP DEBTOR
(Including LLCs and LLPs)**

Case No. 15-30982-tmb11Debtor Earth Class Mail CorporationReport Month/Year March 2015

Instructions: The debtor's monthly financial report shall include this cover sheet signed by the debtor and all UST forms and supporting documents. Exceptions, if allowed, are noted in the checklist below. Failure to comply with the reporting requirements of Local Bankruptcy Rule 2015-1(b) and 2015-2, or the U.S. Trustee's reporting requirements, is cause for conversion or dismissal of the case.

The debtor submits the following with this monthly financial report:

		Completed	Not Applicable
UST-11	Comparative Income Statement or debtor's income statement (must include all line items specified on UST-11). <u>SEE ATTACHED</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-12	Comparative Balance Sheet or debtor's balance sheet (must include all line items specified on UST-12. The debtor's balance sheet, if used, shall include a breakdown of pre- and post-petition liabilities. The breakdown may be provided as a separate attachment to the debtor's balance sheet. <u>SEE ATTACHED</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-13	Comparative Cash Flow Statement or debtor's cash flow statement (must include all line items specified on UST-13). Complete this statement if the debtor is reporting based on the accrual basis of accounting. This is the required method, unless other arrangements have been made with the U.S. Trustee. <u>SEE ATTACHED</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-14	Summary of Disbursements <u>SEE ATTACHED</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-14A	Statement of Cash Receipts and Disbursements Complete one or more to include all bank accounts or other sources of debtor funds. Attach copies of monthly bank statements and all supporting documents described in the instructions. <u>SEE ATTACHED</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-14B	Additional Disbursement Information	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-15	Statement of Aged Receivables Provide a detailed accounting of aged receivables on, or as an attachment to, UST-15. <u>N/A</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
UST-16	Statement of Aged Post-Petition Payables Provide a detailed accounting of aged post-petition payables on, or as an attachment to, UST-16. <u>SEE ATTACHED</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
UST-17	Statement of Operations When applicable, UST-17 shall include copies of supporting documents such as an escrow statement for the sale of real property, an auctioneer's report for property sold at auction, or a certificate of insurance or copy of debtor's bond for any change in insurance or bond coverage. <u>SEE ATTACHED</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

DEBTOR'S CERTIFICATION

I certify under penalty of perjury that (1) I have personally prepared this financial report or directly supervised its preparation, and (2) the information contained in this monthly financial report is complete, true, and accurate to the best of my knowledge, information, and belief.

BY: Stacey R. LeeDATE: 4/20/15TITLE: CFO

The debtor, or trustee, if appointed, must sign the monthly financial report. Only an authorized officer may sign a financial report for a corporate debtor and only a general partner has authority to sign a financial report for a partnership debtor. Debtor's counsel may not sign a financial report for the debtor.

See Attached Comparative Income Statement

Case Number: 15-30982-tmb11

Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

UST-11, COMPARATIVE INCOME STATEMENT

INSTRUCTIONS: The initial report should include only business activity commencing from the petition date through the end of the month.

For the Month of:	MO/YR	MO/YR	MO/YR	Cumulative To Date
Revenue				-
Less: Returns and Allowances				-
NET REVENUE				-
Cost of Goods sold:				
Beginning Inventory				-
Add: Purchases				-
Less: Ending Inventory				-
Cost of Goods Sold	-	-	-	-
Additional Costs of Good Sold:				
Direct Labor				-
Freight In				-
TOTAL COST OF GOOD SOLD				-
Other Operating Expenses:				
Officers' Salaries (Gross)				-
Other Salaries (Gross)				-
Depreciation and Amortization				-
Employee Benefits				-
Payroll Taxes (Employer's portion)				-
Insurance				-
Rent				-
General and Administrative				-
TOTAL OPERATING EXPENSES				-
NET OPERATING INCOME (LOSS)				-
Add: Other Income				-
Less: Interest Expense				-
Less: Non-recurring items				
Professional Fees				-
UST Fees				-
Other (specify)				-
TOTAL NON-RECURRING ITEMS				-
GAIN (LOSS) ON DISPOSAL OF ASSETS				-
NET INCOME (LOSS) BEFORE INCOME TAX				-
Income Taxes				-
NET INCOME (LOSS)				-

Case Number: 15-30982-tmb11

Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

UST-12, COMPARATIVE BALANCE SHEET

ASSETS	As of month ending:	MO/YR	MO/YR	MO/YR	PER SCHEDULES (i.e. Petition Date)
Current Assets					
Cash-Restricted					
Cash-Unrestricted					
TOTAL CASH		-	-	-	-
Accounts Receivable					
Less: Allowance for Doubtful Accounts					
NET ACCOUNTS RECEIVABLE		-	-	-	-
Notes Receivable					
Insider Receivables					
Inventory (see note below)					
Prepaid Expenses					
Other (attach list)					
TOTAL CURRENT ASSETS		-	-	-	-
Fixed Assets					
Real Property/Buildings					
Equipment					
Accumulated Depreciation					
NET FIXED ASSETS		-	-	-	-
Other Assets (attach list)					
TOTAL ASSETS		-	-	-	-
LIABILITIES					
Post-Petition Liabilities					
Trade Accounts Payable					
Taxes Payable					
Accrued Professional Fees					
Notes Payable					
Rents and Lease payables					
Accrued Interest					
Other (specify)					
TOTAL POST-PETITION LIABILITIES		-	-	-	-
Pre-Petition Liabilities					
Secured Debt					
Priority Debt					
Unsecured Debt					
Other (attach list)					
TOTAL PRE-PETITION LIABILITIES		-	-	-	-
TOTAL LIABILITIES		-	-	-	-

Method of inventory valuation (Cost, Lower of Cost or Market, FIFO, LIFO, Other): N/A

Case Number: 15-30982-tmb11
 Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

UST-12, COMPARATIVE BALANCE SHEET

EQUITY	As of month ending:	MO/YR	MO/YR	MO/YR	PER SCHEDULES (i.e. Petition Date)
Owners' Equity (or Deficit)					
Prepetition Owners' Equity					
Post-petition Cumulative Profit or (Loss)					
Direct Charges to Equity (Explain)					
TOTAL OWNERS' EQUITY (DEFICIT)					
TOTAL LIABILITIES AND OWNERS' EQUITY(DEFICIT)					

FOOTNOTES TO BALANCE SHEET:

Case Number: 15-30982-tmb11

Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

UST-13, COMPARATIVE CASH FLOW STATEMENT				
As of month ending:	MO/YR	MO/YR	MO/YR	Cumulative Filing to Date
NET INCOME (LOSS)	-			
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:				
Depreciation and Amortization				
(Gain) Loss on Sale of Assets				
(Increase) Decrease in Prepaids				
(Increase) Decrease in Receivables				
(Increase) Decrease in Inventory				
Increase (Decrease) in Payables				
Increase (Decrease) in Taxes Payable				
Increase (Decrease) in Professional Fees				
Increase (Decrease) in Rents/Leases Pay				
Increase (Decrease) in Accrued Interest				
NET CASH PROVIDED BY OPERATIONS				
CASH FLOWS FROM INVESTING/FINANCING:				
Purchase of Fixed Assets				
Proceeds from Sale of Fixed Assets				
Capital Contributions				
Loan Proceeds				
Loan Principal and Capital Lease Payments				
NET INCREASE (DECREASE) IN CASH	-			
BEGINNING CASH	-	-	-	
ENDING CASH				

Case Number: 15-30982-tmb11

Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

UST-14, SUMMARY OF DISBURSEMENTS

INSTRUCTIONS: BEFORE COMPLETING THIS PAGE, prepare UST-14A (see next page) to include all bank accounts or other sources of the debtor's funds. The disbursement total will be used to complete this SUMMARY OF DISBURSEMENTS.

The debtor is responsible for providing accurate monthly disbursement totals for purposes of calculating its obligation pursuant to 28 U.S.C. § 1930(a)(6) to pay statutory fees to the U.S. Trustee. The disbursement total encompasses all payments made by the debtor during the reporting month, whether made directly by the debtor or by another party for the debtor. It includes checks written and cash payments for inventory and equipment purchases, payroll and related taxes and expenses, other operating costs, and debt reduction. It also includes payments made pursuant to joint check arrangements and those resulting from a sale or liquidation of the debtor's assets. The only transactions normally excluded from the disbursement total are transfers within the same reporting month between multiple debtor accounts.

The U.S. Trustee payment is due on the last day of the month following the end of each calendar quarter, or on **April 30, July 31, October 31, and January 31**, respectively. Because the amount billed is an estimate, the debtor is responsible for paying the correct statutory fee based on actual disbursements for the calendar quarter, or portion thereof while the debtor is in Chapter 11 (i.e. until the case is converted, dismissed, or closed by final decree). Failure to pay statutory fees to the U.S. Trustee is cause for conversion or dismissal of the case. A copy of the statutory fee schedule may be found in the Chapter 11 Guidelines on the U.S. Trustee's website located at:

<http://www.justice.gov/ust/r18/portland/chapter11.htm>
<http://www.justice.gov/ust/r18/eugene/chapter11.htm>

If you have any questions about how to compute the disbursement total, please call the U.S. Trustee's office:

Portland, OR (503) 326-4000
 Eugene, OR (541) 465-6330

(UST-14A, with attachments, should follow this page.)

COMPUTATION OF MONTHLY DISBURSEMENT TOTAL

Total disbursements from UST-14A	
Cash payments not included in total above (if any)	
Disbursements made by third parties for the debtor (if any, explain)	

TOTAL DISBURSEMENTS THIS MONTH FROM ALL SOURCES		\$	-
	<u>Yes</u>	<u>No</u>	
At the end of this reporting month, did the debtor have any <u>delinquent</u> statutory fees owing to the U.S. Trustee?	<input type="checkbox"/>	<input type="checkbox"/>	
(If yes, list each quarter that is delinquent and the amount due along with an explanation)			
<u>Quarter</u>	<u>Explanation</u>	<u>Amount</u>	

Case Number:
Report Mo/Yr:15-30982-tmb11
March 2015

Debtor:

Earth Class Mail Corporation

UST-14A - STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

INSTRUCTIONS: Include all bank accounts or other source of the debtor's funds and attach supporting documents as indicated on the checklist below. Use additional sheets as necessary.

Depository (Bank) Name Account Number Type of Account					TOTALS
Beginning Cash Balance					-
Add:					
Transfers in					-
Receipts deposited					-
Other (identify source)					-
Total Cash Receipts	-	-	-	-	-
Subtract:					
Transfers out					-
Disbursements by check or debit					-
Cash withdrawn					-
Other (identify source)					-
Total Cash Disbursements	-	-	-	-	-
Ending Cash Balance	-	-	-	-	-

Does each account identified above include the following supporting documents, as required: Indicate YES, NO or NOT APPLICABLE in the boxes below.

Monthly bank statement copy

(do not include bank statement copies
with the report filed with the Bankruptcy
Court)

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Bank reconciliation (including
outstanding checks and deposits in
transit)

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A detailed list of receipts for the account
(deposit log or receipts journal)

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A detailed list of disbursements for the
account (check register or disbursement
journal)

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Funds received and/or
disbursed by another party

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Case Number: 15-30982-tmb11
 Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

UST-14B, ADDITIONAL DISBURSEMENT INFORMATION

Payments on Pre-Petition Unsecured Debt (requires court approval)

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month on pre-petition unsecured debt? If "yes", complete table for each payment.

Payee's Name	Nature of Payment	Payment Date	Amount	Date of Court Approval	Yes	No
					<input type="checkbox"/>	<input type="checkbox"/>

Payments to Attorneys and Other Professionals (requires court approval)

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month to a professional such as an attorney, accountant, realtor, appraiser, auctioneer, business consultant, or other professional person? If "yes", complete table for each payment.

Professional's Name	Type of Work Performed	Payment Date	Amount	Date of Court Approval	Yes	No
					<input type="checkbox"/>	<input type="checkbox"/>

Payments to an Officer, Director, Partner, or Other Insider of the Debtor

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month to, or for the benefit of, an officer, director, partner, member, shareholder or other insider of the debtor? If "yes", complete table for each payment.

Payee's Name	Relationship to Debtor	Payment Date	Amount	Purpose of Payment	Yes	No
					<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTIONS: Use the last column to describe the purpose of each payment, such as gross wages or salary, reimbursement for business expenses, loan repayment, advance, draw, bonus, dividend, stock distribution, or other reason for the payment.

CERTIFICATION OF BANK ACCOUNTS:

The undersigned certifies under penalty of perjury that every financial account used by the debtor is accounted for in UST-14A of this report and is held in a depository included on the U.S. Trustee's list of authorized depositories. The undersigned further certifies that each such depository has been notified that the account holder is a debtor in a Chapter 11 case under the jurisdiction of the Bankruptcy Court.

BY: Stacy Lee
 TITLE: CFO

DATE: 4/20/15

Case Number: 15-30982-tmb11
Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

UST-15, STATEMENT OF AGED RECEIVABLES

INSTRUCTIONS: Complete all portions of UST-15, STATEMENT OF AGED RECEIVABLES, unless the debtor asserts the following two statements are true for this reporting month:

- At the beginning of the reporting month, the debtor did not have any uncollected pre-petition or post-petition accounts receivable; and,
- During the reporting month, the debtor did not have any receivables activity, including the accrual of new accounts receivable, or the collection or write-off of accounts receivable from prior months.

Initial here SM if the debtor asserts that both statements above are correct and then skip to UST-16, Statement of Post-Petition Payables.

Accounts Receivable Aging

	Balance at Month End	Current Portion	Past Due 31-60 days	Past Due 61-90 days	Past Due over 90 days	Uncollectible Receivables
Pre-petition						
Post-petition						
TOTALS	-	-	-	-	-	-

Explain what efforts the debtor has made during the reporting period to collect receivables over 60 days past due.

Accounts Receivable Reconciliation

	Post Petition	Pre-Petition	Totals
Opening Balance			-
Add: Sales on account			-
Less: Payments on account			-
Less: Write-offs or other adjustments			-
Closing Balance	-	-	-

Insider Receivable Reconciliation

Insider Name (e.g. officer, director, partner, member, shareholder)			
Relationship to Debtor			
Opening Balance (if first report, use the balance on date of filing)			
Add: Current month advances			
Less: Current month payments			
Closing Balance	-	-	-

Case Number: 15-30982-tmb11

Report Mo/Yr: March 2015

Debtor:

Earth Class Mail Corporation

**UST-16, STATEMENT OF AGED POST-PETITION PAYABLES
PART A - TRADE ACCOUNTS PAYABLE**

INSTRUCTIONS: Complete PART A - TRADE ACCOUNTS PAYABLE unless the debtor asserts that this statement is true for this reporting month:

° Except for taxes disclosed in PART B of this report, the debtor has no other unpaid post-petition payables from the current reporting month or from any prior post-petition months.

Initial here _____ if the debtor asserts that the statement above is correct and then skip to UST-16, Part B, Taxes.

Accounts Payable Aging

	Balance at Month End	Current Portion	Past Due 31-60 days	Past Due 61-90 days	Past Due over 90 days
Post-petition					

1. For Accounts Payable more than 30 days past due, explain why payment has not been made.

2. Attach the debtor's accounts payable aging report.

Post-Petition Trade Accounts Payable Reconciliation

Opening Balance	
Additions:	
Less: Payments made	
Closing Balance	-

Case Number: 15-30982-tmb11
 Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

**UST-16, BUSINESS STATEMENT OF AGED POST-PETITION PAYABLES
 PART B - TAXES**

CERTIFICATION: The undersigned certifies under penalty of perjury that all post-petition taxes required to be withheld or collected have been paid to the appropriate taxing authority or that a deposit for such amounts has been made into a separate bank tax account as more fully described below.

BY: Stacy Lee

DATE: 4/20/15

Reconciliation of Unpaid Post-Petition Taxes

	1	2	3	4
Type of Tax	Unpaid Post-petition Taxes from Prior Reporting Month	Post-petition Taxes Accrued this Month (New Obligations)	Post-petition Tax Payments Made this Reporting Month	Unpaid Post-petition Taxes at End of Reporting Month (Column 1+2-3=4)
FEDERAL EMPLOYMENT TAXES				
Employee Income Tax Withheld				-
FICA/Medicare-Employee				-
FICA/Medicare-Employer				-
Unemployment (FUTA)				-
STATE EMPLOYMENT TAXES				
Employee Income Tax Withheld				-
Unemployment (SUTA)				-
Worker's Compensation				-
OTHER TAXES				
Corporate Income Tax				-
Local City/County Tax				-
Sales Tax				-
Personal Property Tax				-
Real Property Tax				-
Other				-
Total Unpaid Post-Petition Taxes				\$ -

Is the debtor delinquent in any tax reporting? **If yes**, provide the name of the taxing authority, a description of the report that is past due, the original report due date, any payment due, and the reason for the delinquency.

Case Number: 15-30982-tmb11
 Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

UST-17 STATEMENT OF OPERATIONS

INSTRUCTIONS: Answer each question fully and attach additional sheets as necessary to provide a complete response

Question 1 - Sale of the Debtor's Assets

Did the debtor, or another party on behalf of the debtor, sell, transfer, or otherwise dispose of any of the debtor's assets during the reporting month that are out of the ordinary course of the debtor's business? If yes, attach a schedule identifying each asset, date of sale notice, method of disposition, and gross and net sale proceeds received. If real property was sold, attach a copy of the closing statement.

Yes No

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Question 2 - Financing

During the reporting month, did the debtor receive any financing, or loans from a non-insider funding source? If yes, indicate the source of the funds, date paid to debtor, dollar amount, and date of court approval.

Source of Funds	Date Paid	Amount	Date of Court Approval	Yes	No
				<input type="checkbox"/>	<input type="checkbox"/>

Question 3 - Insider loans

During the reporting month, did the debtor receive any funds from an officer, director, partner, member, shareholder, or other insider of the debtor? If yes, indicate the source of funds, date paid to debtor, dollar amount, and date of court approval.

Source of Funds	Date Paid	Amount	Date of Court Approval	Yes	No
				<input type="checkbox"/>	<input type="checkbox"/>

Question 4 - Insurance and Bond Coverage

Did the debtor renew or replace any insurance policies during this reporting month? If yes, attach a certificate of insurance for each renewal or change in coverage.

Were any of the debtor's insurance policies canceled or otherwise terminated for any reason during the reporting month? If yes, explain.

Were any claims made during this reporting month against the debtor's bond? (Answer "No" if the debtor is not required to have a bond). If yes, explain.

Yes No

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Question 5 - Significant Events.

Provide a narrative report of any significant events that may have an effect on the financial condition of the debtor or any events out of the ordinary course of business that are not described elsewhere in this report. Attach separate sheets as necessary.

Case Number: 15-30982-tmb11
 Report Mo/Yr: March 2015

Debtor: Earth Class Mail Corporation

UST-17, STATEMENT OF OPERATIONS (Continued)

Question 6 - Case Progress. Explain what progress the debtor has made during the reporting month toward confirmation of a plan of reorganization.

	Filed ?	Estimated Date To be Filed If not Filed
Disclosure Statement:		
Plan of Reorganization:		

WHERE TO FILE A MONTHLY OPERATING REPORT: Local Bankruptcy Rule 2015-2 requires the debtor to file its monthly financial report with the U.S. Bankruptcy Court.

File the original... (select only one)

For a Chapter 11 case filed in Portland, OR:

United States Bankruptcy Court
 1001 SW 5th Avenue, 7th floor
 Portland, OR 97204

For a Chapter 11 case filed in Eugene, OR:

United States Bankruptcy Court
 405 East 8th Avenue, Suite 2600
 Eugene, OR 97401

CERTIFICATION: The undersigned certifies that copies of this report and supporting documents have been served upon each of the following persons in this case: U.S. Trustee; the chairperson of each official committee of creditors or equity security holders and the attorney(s) for each such committee; the debtor and the debtor's attorney; and the trustee and the trustee's attorney, if applicable.

BY: Stacy L Lee

DATE: 4/20/15

TITLE: CFO

PHONE NUMBER: 971-250-5041

Send U.S. Trustee's copy to: (select only one)

For a Chapter 11 case filed in Portland, OR:

Office of the United States Trustee
 620 SW Main Street, Suite 213
 Portland, OR 97205

For a Chapter 11 case filed in Eugene, OR:

Office of the United States Trustee
 405 East 8th Avenue, Suite 1100
 Eugene, OR 97401

Earth Class Mail Corporation**UST-11 Comparative Income Statement**

	<u>Mar-15</u>	<u>Cumulative To Date</u>
Revenue	\$501,925	\$501,925
Cost of Goods sold:		
Direct Labor	\$106,913	\$106,913
Shipping-Out	\$58,724	\$58,724
Depreciation & Amortization	\$11,992	\$11,992
Rent/Facilities	\$34,727	\$34,727
Other	\$55,254	\$55,254
TOTAL COST OF GOODS SOLD	\$267,610	\$267,610
Other Operating Expenses:		
Officers' Salaries (Gross)	\$33,854	\$33,854
Other Salaries (Gross)	\$41,799	\$41,799
Depreciation & Amortization	\$1,109	\$1,109
Employee Benefits	\$13,964	\$13,964
Payroll Taxes (Employer Portion)	\$7,002	\$7,002
Insurance	\$2,543	\$2,543
Rent/Facilities	\$5,157	\$5,157
Marketing	\$6,903	\$6,903
General and Administrative	\$14,622	\$14,622
TOTAL OPERATING EXPENSES	\$126,953	\$126,953
NET OPERATING INCOME (LOSS)	\$107,362	\$107,362
Add: Other Income	\$353	\$353
Less: Interest Expense	(\$144,410)	(\$144,410)
Less: Non-recurring items		
Professional Fees	\$20,337	\$20,337
UST Fees	\$0	\$0
Other	\$0	\$0
TOTAL NON-RECURRING ITEMS	\$20,337	\$20,337
GAIN (LOSS) ON DISPOSAL OF ASSETS	\$0	\$0
NET INCOME (LOSS) BEFORE INCOME TAX	(\$57,032)	(\$57,032)
Income Taxes	\$0	\$0
NET INCOME (LOSS)	(\$57,032)	(\$57,032)

Earth Class Mail Corporation**UST-12 Comparative Balance Sheet**

	<u>Mar-15</u>	
ASSETS		
<u>Current Assets</u>		
Cash-Restricted	\$71,731	Secures a letter of credit required by NY lease
Cash-Unrestricted	\$533,889	
TOTAL CASH	\$605,620	
Credit Card Deposits Receivable	\$63,952	Customers' credit cards were charged in March, funds were deposited in April
Prepaid Expenses	\$123,464	
Employee Advances	\$800	
TOTAL CURRENT ASSETS	\$793,836	
<u>Fixed Assets</u>		
Equipment	\$1,227,922	
Leashold Improvements	\$638,138	
Accumulated Depreciation	(\$1,624,761)	
NET FIXED ASSETS	\$241,299	
<u>Other Assets</u>		
Patents	\$7,000	
Deposits	\$163,358	This includes \$97,214 in deposits required by vendors due to bankruptcy filing
TOTAL OTHER ASSETS	\$170,358	
TOTAL ASSETS	\$1,205,493	
LIABILITIES		
POST-PETITION LIABILITIES		
Trade Accounts Payable	\$87,120	
Taxes Payable	\$2,500	
Accrued Professional Fees	\$0	
Accrued Comp/Benefits	\$95,237	\$84,139 is accrued PTO
Accrued Interest on Senior Secured Debt	\$108,414	
Accrued Interest on Convertible Notes	\$35,550	
Deferred Rent & Other Deferred Payments	\$126,611	
Deferred Revenue	\$38,735	
TOTAL POST-PETITION LIABILITIES	\$494,167	
PRE-PETITION LIABILITIES		
AP	\$13,551	
Taxes Payable	\$865	
Accrued Professional Fees	\$176,400	
Line of Credit Outstanding	\$181,114	
Senior Secured Debt Facility	\$4,496,416	
Accrued Interest on Senior Secured Debt	\$3,790,978	
Convertible Notes	\$5,052,485	
Accrued Interest on Convertible Notes	\$2,727,277	
Debt Discount	(\$334,794)	
Capital Leases	\$57,454	Buyer to assume per asset purchase agreement
<u>Redeemable Convertible Preferred Stock</u>		
Prfd A - Mezzanine	\$14,644,576	
Prfd B - Warrants Mezzanine	\$316,868	
Prfd B - Beneficial Conv Mezz	\$316,868	
Total Redeemable Preferred	\$15,278,312	
EQUITY		
Common Stock	\$58,094	
Additional Paid In Capital	\$364,176	
Fundraising Costs	(\$187,751)	
Accumulated Deficit	(\$30,963,250)	
TOTAL OWNERS' (DEFICIT)	(\$30,728,731)	
TOTAL LIABILITIES AND OWNERS' (DEFICIT)	\$1,205,493	

Earth Class Mail Corporation**UST-13 Comparative Cash Flow Statement**

	<u>3/31/2015</u>
NET INCOME (LOSS)	(\$57,032)

ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:**Cash Flows From Operating Activities:**

Depreciation and Amortization	\$13,100
(Increase) Decrease in Credit Card Deposits Receivable	\$26,735
(Increase) Decrease in Prepaids	\$8,495
(Increase) Decrease in Employee Advances	\$400
Increase (Decrease) in Trade Accounts Payable	\$45,165
Increase (Decrease) Taxes Payable	(\$2,135)
Increase (Decrease) Accrued Professional Fees	(\$0)
Increase (Decrease) Accrued Comp/Benefits	\$14,496
Increase (Decrease) Deferred Rent and Other Deferred Payments	(\$4,278)
Increase (Decrease) Deferred Revenue	(\$2,195)
Increase in Interest on Senior Secured Debt	\$108,414
Increase in Interest on Convertible Notes	\$35,550

NET CASH PROVIDED BY OPERATIONS	<u>\$186,714</u>
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Cash Flows from Investing/Financing Activities

Purchase of Fixed Assets	(\$10,132)
Line of Credit Repayment	\$0
Capital Lease Repayment	(\$1,890)
(Deposits)/Return of Deposit	(\$97,215)

NET CASH PROVIDED BYINVESTING/FINANCING ACTIVITIES	<u>(\$109,237)</u>
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NET INCREASE (DECREASE) IN CASH	<u>\$77,477</u>
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BEGINNING CASH	\$528,143
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ENDING CASH	<u><u>\$605,620</u></u>
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Earth Class Mail Corporation

UST-14 Summary of Disbursements

March-15

COMPUTATION OF MONTHLY DISBURSEMENT TOTAL

Total disbursements from UST-14A	\$429,882.59	
Cash payments not included in total above	\$6,156.38	Checks written in March and outstanding at 3/31
Disbursements made by third party for the debtor	\$0.00	
TOTAL DISBURSEMENTS THIS MONTH FROM ALL SOURCES	\$436,038.97	

At the end of this reporting month we did not have any delinquent statutory fees owing to the U.S. Trustee

Earth Class Mail Corporation

UST-14A Statement of Cash Receipts and Disbursements (Per Bank Statements)

March-15

Depository (Bank) Name Account Number	US Bank ██████ 4685	US Bank ██████ 9329	US Bank ██████ 4164	Comerica Bank ██████ 3385	Comerica Bank ██████ 3393 Money Market (Restricted)	
Type of Account	Business Checking	DIP Checking	Savings	Checking		TOTALS
Beginning Cash Balance	\$242,699.94	\$0.00	\$200,261.61	\$16,379.71	\$71,724.44	\$531,065.70
Add:						
Receipts deposited	\$512,622.53	\$0.00	\$0.00	\$0.00	\$0.00	\$512,622.53
Transfers in from other ECM accounts	\$0.00	\$60,000.00	\$0.00	\$35,000.00	\$0.00	\$95,000.00
Other	\$0.00	\$0.00	\$25.30	\$0.00	\$6.09	\$31.39
Total Cash Receipts	\$512,622.53	\$60,000.00	\$25.30	\$35,000.00	\$6.09	\$607,653.92
Subtract:						
Transfers out to other ECM accounts	(\$85,000.00)	\$0.00	(\$10,000.00)	\$0.00	\$0.00	(\$95,000.00)
Disbursements by credit card	(\$61,468.40)	\$0.00	\$0.00	\$0.00	\$0.00	(\$61,468.40)
Disbursements by check or debit	(\$364,188.69)	(\$4,193.00)	\$0.00	\$0.00	\$0.00	(\$368,381.69)
Cash withdrawn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	(\$32.50)	\$0.00	(\$32.50)
Total Cash Disbursements	(\$510,657.09)	(\$4,193.00)	(\$10,000.00)	(\$32.50)	\$0.00	(\$524,882.59)
Ending Cash Balance	\$244,665.38	\$55,807.00	\$190,286.91	\$51,347.21	\$71,730.53	\$613,837.03

Earth Class Mail Corporation**UST-14B Additional Disbursement Information****March-15****Payments on Pre-Petition Unsecured Debt (requires court approval)**

Payee's Name	Nature of Payment	Payment Date	Amount	Date of Court Approval	Yes	No
NYC Department of Finance	City taxes due	3/2/2015	\$861.98			
Southern California Edison	Utility - Los Angeles office	3/9/2015	\$130.80			
Cliff Bowman	Engineering Contractor	3/16/2015	\$3,700.00			
Daniel Finkle	Envelopes used in operations, ink & lens cleaner for New York office, kitchen supplies	3/16/2015	\$428.16			
NW Natural	Utility - Beaverton office	3/16/2015	\$51.30			
Pascual Vargas	Janitor for Los Angeles office	3/16/2015	\$85.00			
PGE	Utility - Beaverton office	3/16/2015	\$1,289.78			
Sprint	Mobile broadband access cards	3/16/2015	\$113.68			
WCP Solutions	Envelopes used in operations	3/16/2015	\$1,962.50			
Chelsea Cleaning Services, Inc.	Janitor for New York office	3/19/2015	\$54.44			
Brooks Courier Service, Inc.	Courier to pick up mail at Delaware address and forward to New York office for processing	3/23/2015	\$467.50			
Expresso Building Services	Janitor for Beaverton office	3/23/2015	\$464.10			
NY State Dept of Tax & Finance	State taxes due	3/24/2015	\$281.85			
Volt Management	Temp service - Los Angeles	3/27/2015	\$317.95			
Waste Management	Garbage service for Beaverton office	3/27/2015	\$140.53			
Cintas Corporation	Shredding services for Beaverton and Seattle offices	3/31/2015	\$215.00			
US Bank Visa	Payment of 2/28 balance	3/13/2015	\$2,978.06			
		Total	\$13,542.63			

Payments to Attorneys and Other Professionals (requires court approval)

Payee's Name	Nature of Payment	Payment Date	Amount	Date of Court Approval	Yes	No
None						
		Total	\$0.00			

Payments to an Officer, Director, Partner, or Other Insider of the Debtor

Payee's Name	Relationship to Debtor	Payment Date	Amount	Purpose of Payment	Yes	No
Jim Wilson	Employee	3/13/2015	\$5,556.01	Net compensation		
Stacey Lee	Employee	3/13/2015	\$4,383.05	Net compensation		
Stacey Lee	Employee	3/19/2015	\$226.31	Expense reimbursement		
Jim Wilson	Employee	3/31/2015	\$5,555.88	Net compensation		
Stacey Lee	Employee	3/31/2015	\$5,277.63	Net compensation		
		Total	\$20,998.88			

Earth Class Mail Corporation

UST-15 Statement of Aged Receivables

March-15

None

Earth Class Mail Corporation

UST-16A Statement of Aged Post Petition Payables March-15

Accounts Payable Aging

Vendor ID	Bill	GL Posti	0-30	31-60	61-90	91-	Total
230 PAS	20140401	42094	\$2,697.20	\$0.00	\$0.00	\$0.00	\$2,697.20
Total for 230 PAS			\$2,697.20	\$0.00	\$0.00	\$0.00	\$2,697.20
BrooksCourierService	0080282-IN	42094	\$552.50	\$0.00	\$0.00	\$0.00	\$552.50
Total for BrooksCourierService			\$552.50	\$0.00	\$0.00	\$0.00	\$552.50
ExpressGAOffice	15501538-1	42067	\$596.09	\$0.00	\$0.00	\$0.00	\$596.09
	15530659-0	42074	\$718.54	\$0.00	\$0.00	\$0.00	\$718.54
	15557617-6	42081	\$832.87	\$0.00	\$0.00	\$0.00	\$832.87
	15584555-5	42088	\$874.64	\$0.00	\$0.00	\$0.00	\$874.64
Total for ExpressGAOffice			\$3,022.14	\$0.00	\$0.00	\$0.00	\$3,022.14
Expresso	49650	42094	\$464.10	\$0.00	\$0.00	\$0.00	\$464.10
Total for Expresso			\$464.10	\$0.00	\$0.00	\$0.00	\$464.10
Hot Shot Delivery	387429	42071	\$3,278.90	\$0.00	\$0.00	\$0.00	\$3,278.90
	387608	42078	\$3,278.90	\$0.00	\$0.00	\$0.00	\$3,278.90
	388415	42085	\$3,178.15	\$0.00	\$0.00	\$0.00	\$3,178.15
	388692	42094	\$5,253.53	\$0.00	\$0.00	\$0.00	\$5,253.53
Total for Hot Shot Delivery			\$14,989.48	\$0.00	\$0.00	\$0.00	\$14,989.48
ibridge	3341	42082	\$2,540.58	\$0.00	\$0.00	\$0.00	\$2,540.58
	3364	42094	\$3,043.50	\$0.00	\$0.00	\$0.00	\$3,043.50
Total for ibridge			\$5,584.08	\$0.00	\$0.00	\$0.00	\$5,584.08
Integra-Collections	Deposit-Acct 916310	42094	\$700.00	\$0.00	\$0.00	\$0.00	\$700.00
Total for Integra-Collections			\$700.00	\$0.00	\$0.00	\$0.00	\$700.00
JimWilson	20150326	42090	\$38.40	\$0.00	\$0.00	\$0.00	\$38.40
Total for JimWilson			\$38.40	\$0.00	\$0.00	\$0.00	\$38.40
NWNatural	20150320	42083	\$70.70	\$0.00	\$0.00	\$0.00	\$70.70
Total for NWNatural			\$70.70	\$0.00	\$0.00	\$0.00	\$70.70
Office Depot	759752576001	42074	\$139.45	\$0.00	\$0.00	\$0.00	\$139.45
	760331539001	42076	\$226.22	\$0.00	\$0.00	\$0.00	\$226.22
	761107738001	42081	\$173.84	\$0.00	\$0.00	\$0.00	\$173.84
	761113541001	42081	\$4.74	\$0.00	\$0.00	\$0.00	\$4.74
	761098566001	42081	\$131.49	\$0.00	\$0.00	\$0.00	\$131.49
	761104988001	42081	\$61.19	\$0.00	\$0.00	\$0.00	\$61.19
	761107738002	42082	\$3.72	\$0.00	\$0.00	\$0.00	\$3.72
	761777638001	42086	\$25.81	\$0.00	\$0.00	\$0.00	\$25.81
	762826339001	42090	\$53.53	\$0.00	\$0.00	\$0.00	\$53.53
Total for Office Depot			\$819.99	\$0.00	\$0.00	\$0.00	\$819.99
PascualVargas	567172	42076	\$85.00	\$0.00	\$0.00	\$0.00	\$85.00
	567183	42090	\$85.00	\$0.00	\$0.00	\$0.00	\$85.00
Total for PascualVargas			\$170.00	\$0.00	\$0.00	\$0.00	\$170.00
PGE	20150330	42093	\$388.54	\$0.00	\$0.00	\$0.00	\$388.54
Total for PGE			\$388.54	\$0.00	\$0.00	\$0.00	\$388.54
Plan Right Slavic	16264	42068	\$1,500.00	\$0.00	\$0.00	\$0.00	\$1,500.00
Total for Plan Right Slavic			\$1,500.00	\$0.00	\$0.00	\$0.00	\$1,500.00
Sprint	20150305	42068	\$3.20	\$0.00	\$0.00	\$0.00	\$3.20
Total for Sprint			\$3.20	\$0.00	\$0.00	\$0.00	\$3.20

March 2015

Vendor ID	Bill	GL Posti	0-30	31-60	61-90	91-	Total
UPS	0000692YY3125	42084	\$28.28	\$0.00	\$0.00	\$0.00	\$28.28
	0000692YY3135	42094	\$35.35	\$0.00	\$0.00	\$0.00	\$35.35
Total for UPS			\$63.63	\$0.00	\$0.00	\$0.00	\$63.63
Volt Technical	32267406	42071	\$210.82	\$0.00	\$0.00	\$0.00	\$210.82
	32263236	42071	\$102.84	\$0.00	\$0.00	\$0.00	\$102.84
	32317265	42078	\$102.84	\$0.00	\$0.00	\$0.00	\$102.84
	32296763	42078	\$388.80	\$0.00	\$0.00	\$0.00	\$388.80
	32326513	42085	\$305.86	\$0.00	\$0.00	\$0.00	\$305.86
	32356693	42092	\$313.54	\$0.00	\$0.00	\$0.00	\$313.54
	32373415	42092	\$402.88	\$0.00	\$0.00	\$0.00	\$402.88
	32352541	42092	\$102.84	\$0.00	\$0.00	\$0.00	\$102.84
Total for Volt Technical			\$1,930.42	\$0.00	\$0.00	\$0.00	\$1,930.42
Westmark Industries	IV335608	42083	\$330.86	\$0.00	\$0.00	\$0.00	\$330.86
Total for Westmark Industries			\$330.86	\$0.00	\$0.00	\$0.00	\$330.86
XO Communications	273764740	42081	\$897.73	\$0.00	\$0.00	\$0.00	\$897.73
Total for XO Communications			\$897.73	\$0.00	\$0.00	\$0.00	\$897.73
Accrued FedEx Charges			\$39,773.70	\$0.00	\$0.00	\$0.00	\$39,773.70
Total for Accrued FedEx Charges			\$39,773.70	\$0.00	\$0.00	\$0.00	\$39,773.70
Other Accrued Payables			\$13,123.33	\$0.00	\$0.00	\$0.00	\$13,123.33
Total for Other Accrued Payables			\$13,123.33	\$0.00	\$0.00	\$0.00	\$13,123.33
			\$87,120.00	\$0.00	\$0.00	\$0.00	\$87,120.00

Post-Petition Trade Accounts Payable Reconciliation

Opening Balance	\$0.00
Additions:	\$509,616.34
Less: Payments Made	(\$422,496.34)
Closing Balance	<u><u>\$87,120.00</u></u>

Earth Class Mail Corporation

UST-16B Statement of Aged Post Petition Payables - Taxes

March-15

Reconciliation of Unpaid Post-Petition Taxes

Type of Tax	Unpaid Post-petition Taxes from Prior Reporting Month	Post-petition Taxes Accrued this Month (New Obligations)	Post-petition Tax Payments Made this Reporting Month	Unpaid Post-petition Taxes at End of Reporting Month
Other Taxes	\$0.00	\$2,500.00	\$0.00	\$2,500.00

Note: A general accrual is made each month for state & local excise and minimum income taxes

Earth Class Mail Corporation

UST-17 Statement of Operations

March-15

Question 1 - Sale of the Debtors Assets

There were no sales of the company's assets during the reporting month.

Question 2 - Financing

During the reporting month we did not receive any financing or loans from a non-insider funding source.

Question 3 - Insider loans

During the reporting month we did not receive any funds from an officer, director, partner, member, shareholder or other insider.

Question 4 - Insurance and Bond Coverage

We did not renew or replace any insurance policies during the reporting month.

None of our insurance policies were canceled or otherwise terminated during the month.

No claims were made during this reporting month against our bond.

Question 5 - Significant Events

There were no significant events that had an effect on our financial condition.

Question 6 - Case Progress

Debtor has filed a motion seeking approval of sale procedures to pursue the sale of all of its assets. The Court has scheduled an auction for June 2, 2015, and a hearing to approve the sale is scheduled for June 4, 2015.